



FOR IMMEDIATE RELEASE

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## **MAYOR JERRY SANDERS**

### **FACT SHEET**

# **MAYOR: WE CANNOT LET CURRENT ECONOMIC DOWNTURN DEFINE OUR CITY'S FUTURE**

*Budget leadership, building for future not mutually exclusive, Sanders says*

Mayor Jerry Sanders pledged to continue building for the city's future through long-term budget reform measures and major civic projects that will have a positive impact on San Diego's bottom line.

Speaking before an audience of more than 350 people at a San Diego Taxpayers Association luncheon, Sanders outlined several new money-saving initiatives and urged support for his efforts to follow through on major projects such as redevelopment of the Civic Center, expansion of the San Diego Convention Center and completion of the shovel-ready new Central Library.

Sanders highlighted successful efforts to make city government more efficient, responsive and transparent, reminding the audience of how far San Diego has come since being dubbed "Enron-by-the-Sea" by *The New York Times*:

"Not that long ago, the media made us the national model for how to get into trouble," he said. "And in just four years, we became a model for how to turn things around."

Sanders noted that the severe economic downturn has necessitated cutting \$175 million from the city's budget over the past 12 months, largely achieved through streamlining and an across-the-board compensation reduction for city employees in order to avoid deep cuts to city services.

Knowing the city is facing the largest-ever annual required contribution to the employee pension system next year, Sanders said, staff is hard at work identifying additional cost cuts. The city will bid out \$45 million of information technology services currently provided by the nonprofit San Diego Data Processing Corp., and labor negotiations on the voter-mandated Managed Competition program are moving forward.

In addition, Sanders unveiled a new initiative to renegotiate hundreds of millions of dollars worth of city contracts to relieve pressure on the fiscal year 2011 budget.

“I look at it this way,” Sanders said. “Our employees took a 6 percent pay cut to help us balance the budget this year. If our vendors were also willing to reduce their charges, we could save millions just on commodities and services.”

He spoke of the success of the city’s state-of-the-art OneSD system, which replaced city departments’ antiquated business applications that masked inefficiencies and made it impossible to maintain tight internal controls of department spending.

No potential money-saving measure will be left unexplored, Sanders said, noting the city is in early discussions with San Diego State University on a mutually beneficial deal that would enable SDSU to expand its campus onto the Qualcomm Stadium property – which currently loses \$12 million per year.

Despite the recession, Sanders said, San Diego must continue to plan for the future and not let temporary economic conditions deter us from moving forward on the Convention Center expansion, Civic Center redevelopment and the new Central Library – all projects with a neutral or a positive impact on the city’s operations budget.

“As we look for ways to protect our General Fund and the city services it provides, we cannot allow our judgment to be clouded by the defeatists who think the only response to a weak economy is to abandon our aspirations,” Sanders said. “Virtually every major project in the city has encountered opposition from groups who have no faith in tomorrow, who view all progress with suspicion, who don’t believe we deserve to be a great city.

“If these people had their way, we’d still be riding ferries to Coronado. There wouldn’t be a Mission Bay, or a trolley system, or a vibrant downtown with homes, shops and restaurants.”

The city is viewing each major project as a business decision and a strategic investment in the city’s future, Sanders said.

“During this time of economic hardship, I would never ask residents to choose between funding basic services and investing in discretionary capital projects,” Sanders said. “My own support has always come with this condition: That they do not require any money from our General Fund, or any fund designed to provide neighborhood services.”

The mayor urged San Diegans to participate in this year’s budget forums and continue to show the public spirit that enabled the city to exceed water-conservation goals.

“This economic downturn will pass soon enough, and we cannot let it define this time in our City’s history,” Sanders concluded. “Working together, we can – and we will – ensure that this time is remembered for the strength and wisdom we gained from adversity, and by what we were able to accomplish in spite of it.”

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